

*SFA Transformation*

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# Managing For Results

Project Vision and Approach

March 2000



## Agenda

- Performance Planning at SFA Today
- A Vision for SFA: Managing for Results
- Approach to Get There
- Next Steps



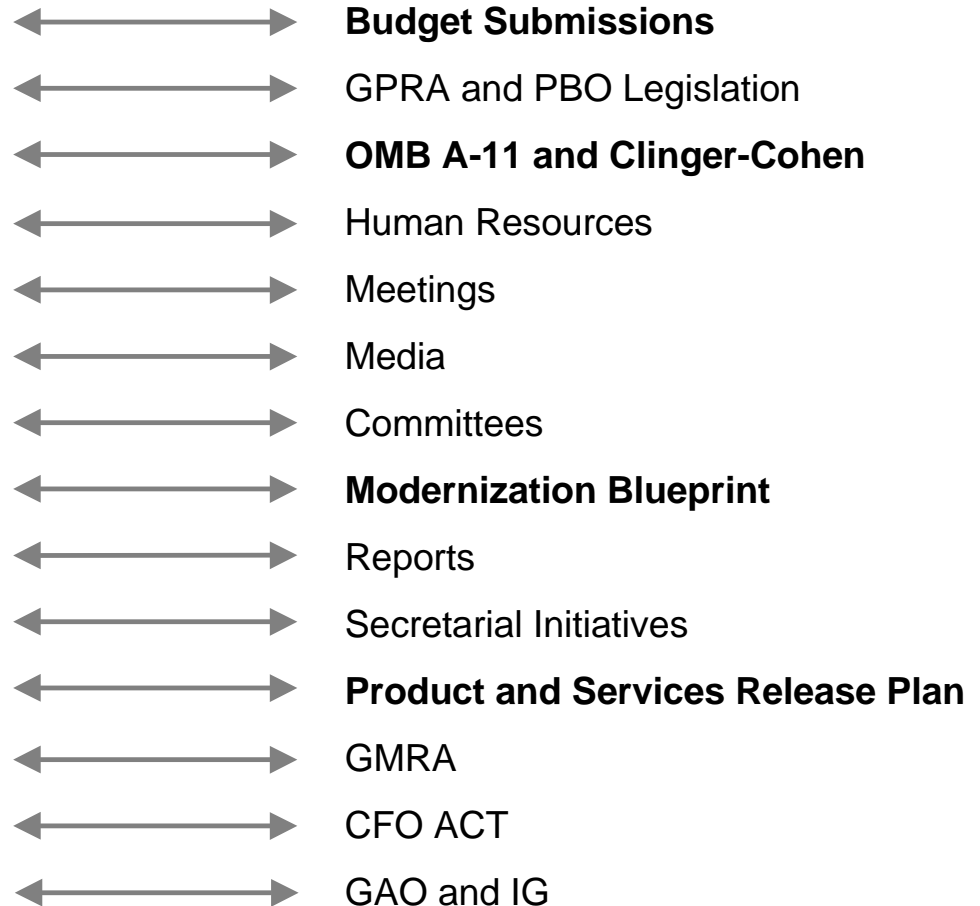
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In addition to day-to-day work, SFA's senior management is being overwhelmed by numerous legislative performance mandates.

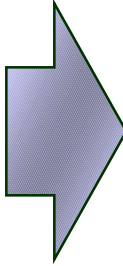
## SFA Senior Management Reality





As the Federal government's first Performance Based Organization (PBO), SFA must fulfill several legislated requirements, and more importantly, serve as the model for government performance planning and management.

## PBO Mandates

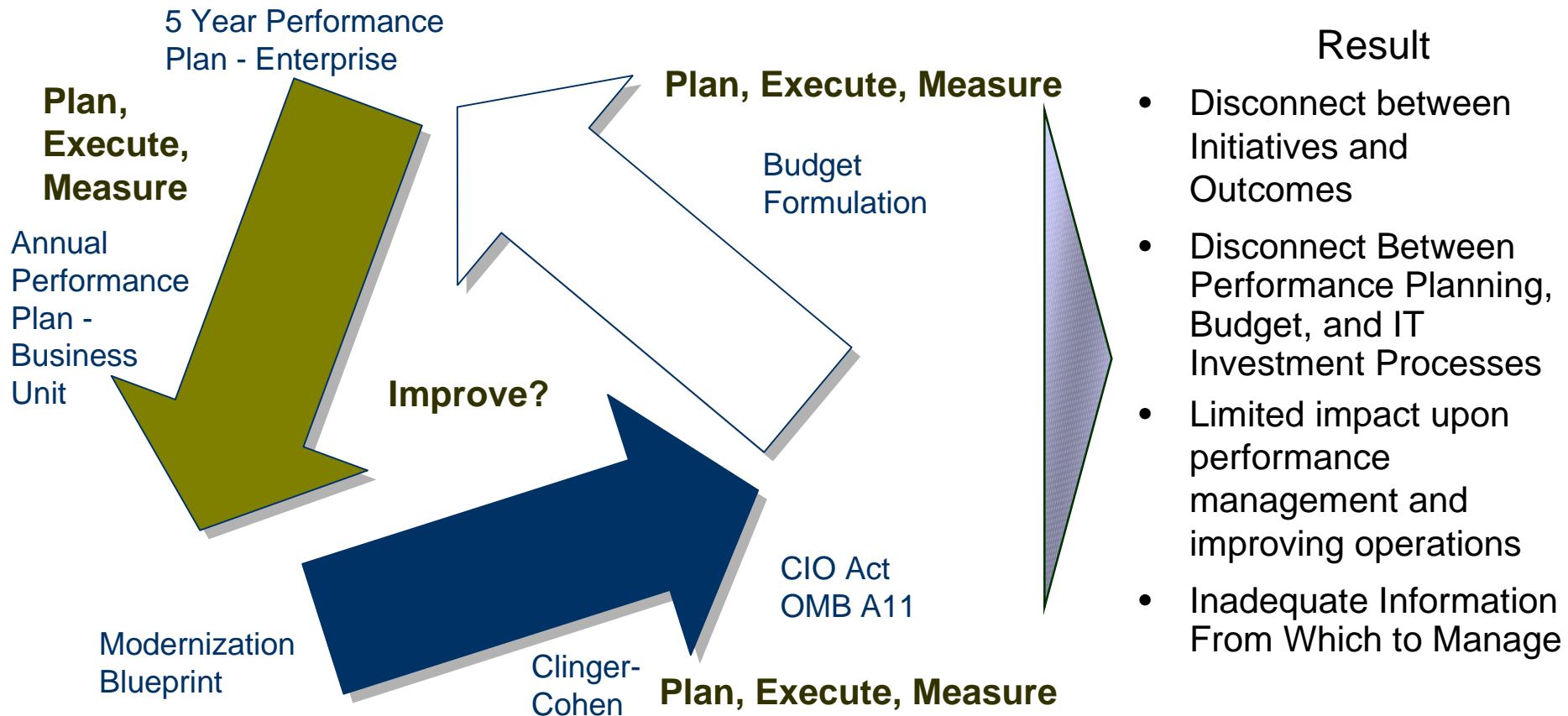
- Improve service to students and participants in SFA programs
  - Reduce costs of administering SFA programs
  - Increase accountability
  - Provide flexibility in management and operational functions
  - Integrate information systems and implement a common delivery system
- 
- As the first PBO, SFA must be the Federal government leader in managing for results.
  - Enterprise Five Year Performance Plan
    - Sets direction and vision for organization
    - Outlines general goals and objectives
  - Annual Plan - Business Unit
    - Provides performance goals and indicators for Five Year Plan general goals and objectives
    - Provides management with accountability plan

*Additionally, we have adopted the lofty, meaningful mission to  
Help Put America Through School*



At present, SFA, like many government agencies, employs a disparate performance management cycle made up of a series of unconnected compliance exercises.

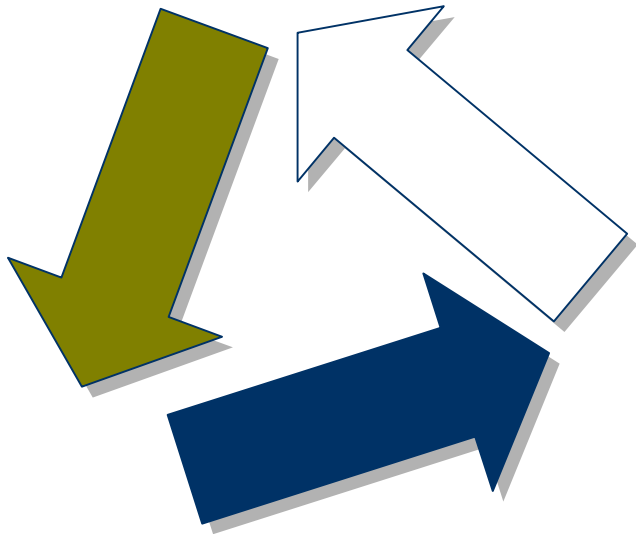
## SFA Plan-Execute-Measure Reality





While SFA has delineated clear objectives, there are several key barriers to managing for results.

## Key Barriers to Managing for Results



Clear objectives, but...

- Performance Planning process and responsibilities is not sequenced
- Disparate lists of strategic and operational initiatives
- Strategic, financial, and information technology priorities not aligned
- Lack of clear performance measurement framework with detailed improvement opportunities



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Because of the disjointed nature of government performance management, many agencies drive from resource allocation toward outputs, rather than from outcomes to resources.

## Target Planning Framework

### As-Is Approach: Resource-Driven



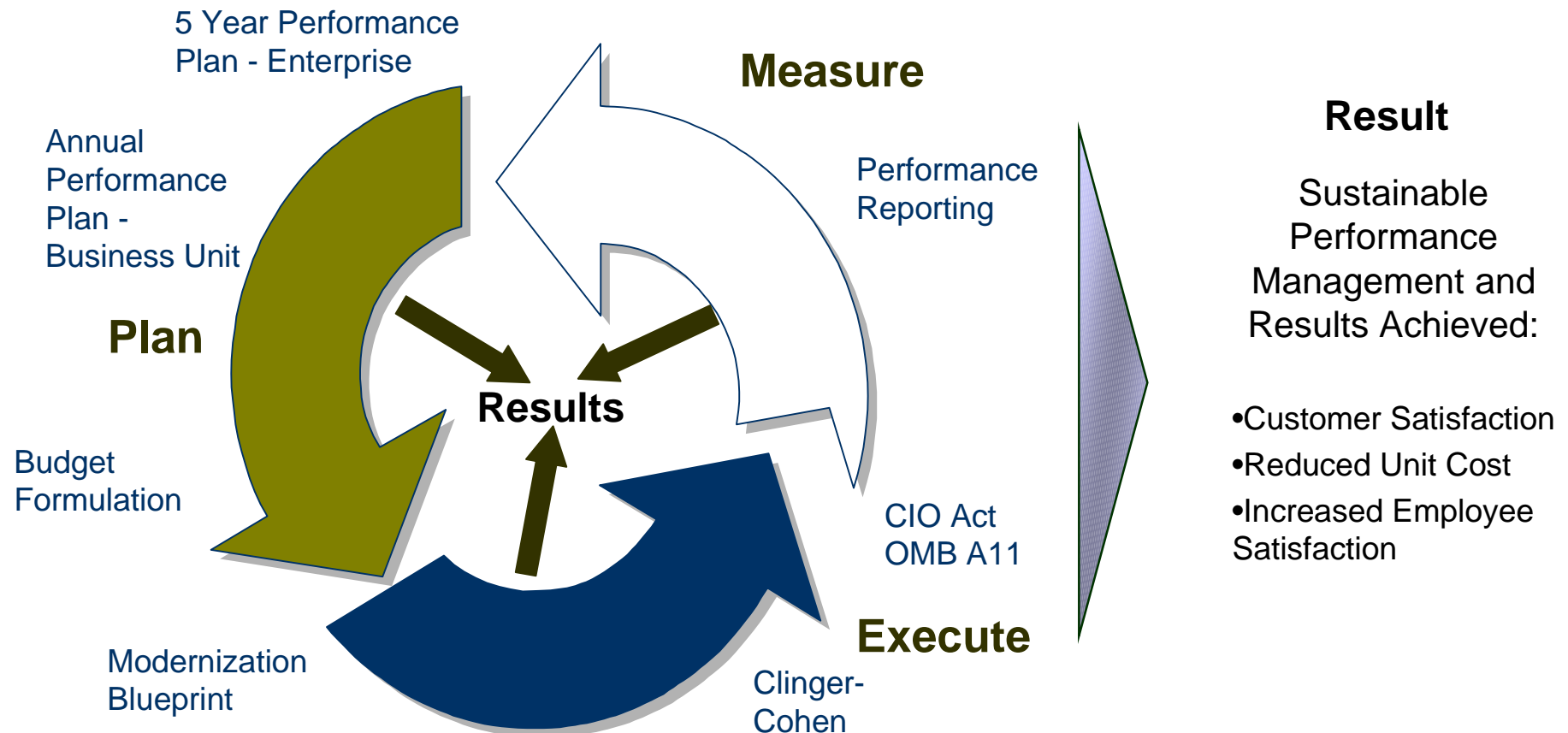
### To-Be Approach: Outcome-Focused





By aligning the planning, executing, and measurement cycle into a holistic approach that is less focused on compliance, SFA can achieve sustainable performance management.

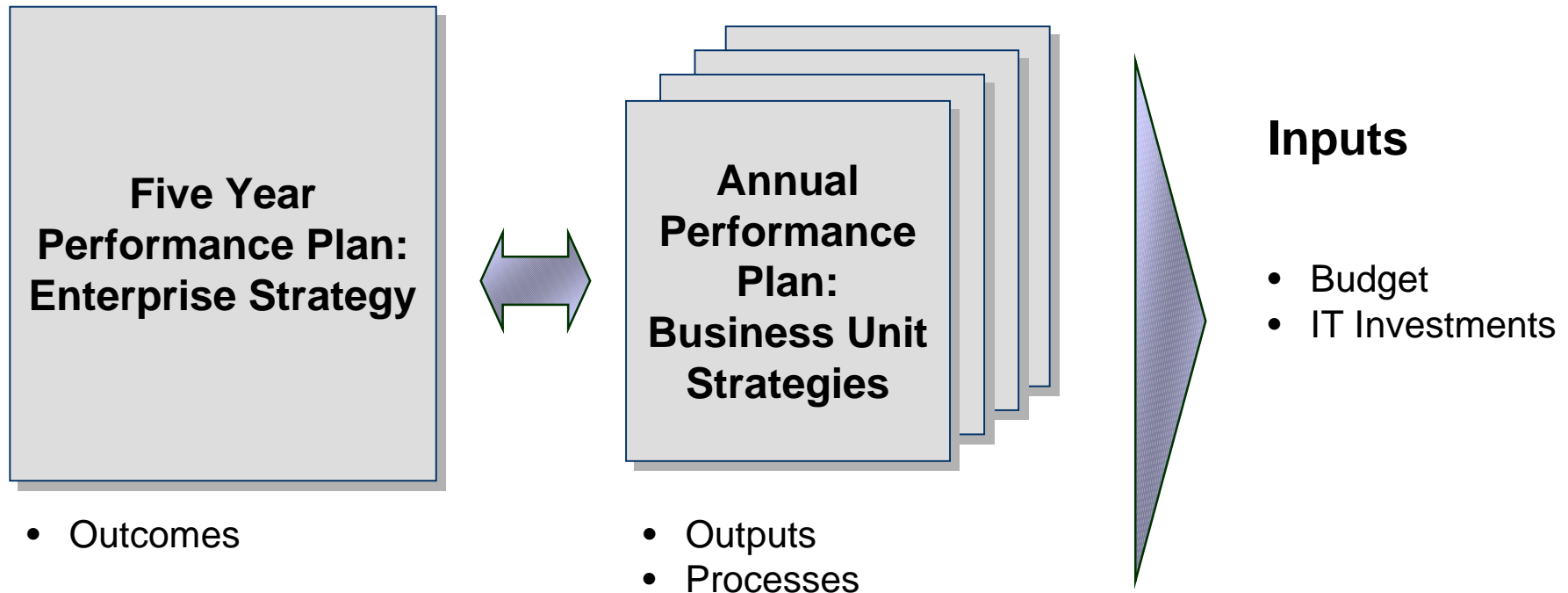
## Aligning the Three Key Areas





As part of an ongoing performance management process, SFA will craft a Enterprise Strategy and Business Unit strategies. These strategies will inform the budget and IT investment processes.

## Strategies Inform Inputs



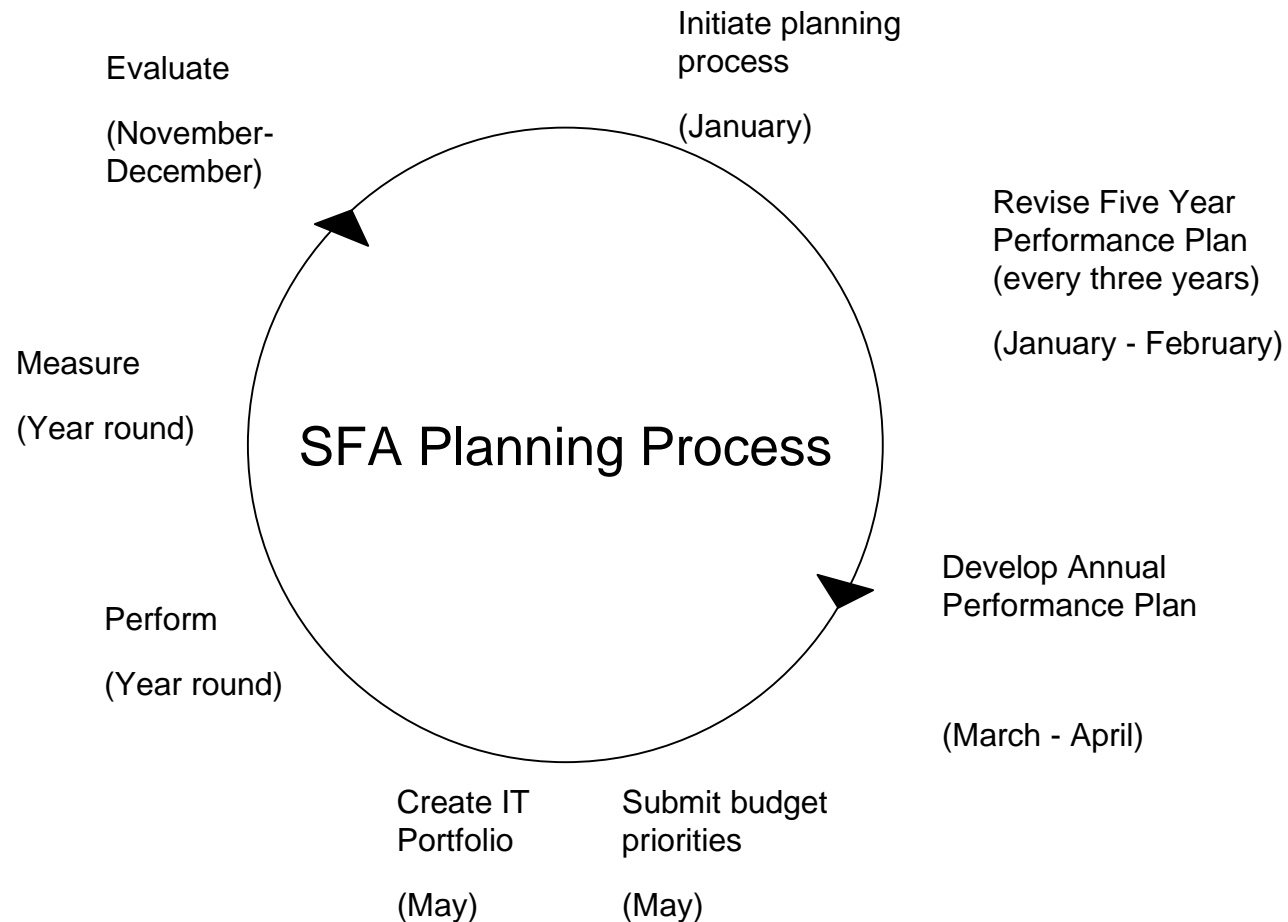


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SFA's Performance Management goal is to develop an ongoing Strategic Planning Process integrated with the existing budget and IT Investment processes





Before SFA can commence an annual process, we must create the products for the current years

## Key Products and Milestones

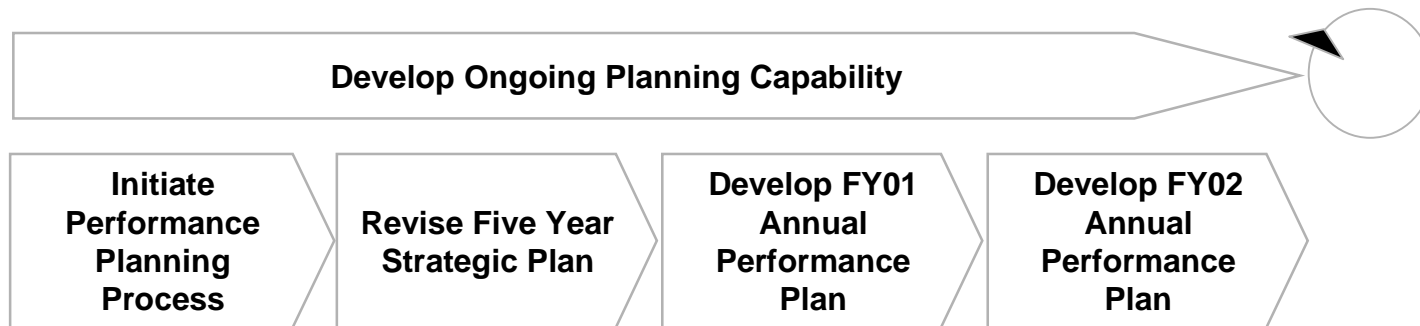
### PRODUCT

### MILESTONE

- |   |                |
|---|----------------|
| • Updated Five Year Performance Plan (refine framework to tie initiatives to strategic goals) | • May 31       |
| • Annual Performance Plan FY01 (tie to existing budget and IT portfolio)                      | • July 21      |
| • Annual Performance Plan FY02 (tie to budget and IT portfolio)                               | • September 30 |



Proposed Strategic Planning Project  
(Spring, Summer 2000)





## Your Role in the Planning Project

<b><i>Steps / Participants</i></b>	<b>Management Council</b>	<b>General Managers and Directors</b>	<b>Business Unit Managers</b>	<b>Strategic Planning Team</b>
<b>Initiate Performance Planning Process</b>	Learn about process and agree to involvement	Learn about process and agree to involvement	Learn about process and agree to involvement	Schedule interviews and educate participants
<b>Revise Five Year Strategic Plan</b>	Review and approve plan, create targets	Review and approve measures and dimensions	Give input on measures and dimensions	Create strawmodels, coordinate interviews and work sessions
<b>Develop FY01 Annual Performance Plan</b>	Review and approve plan, create targets	Review and approve strategies, indicators and initiative mapping	Give input on strategies, indicators and initiatives	Create strawmodels, coordinate interviews and work sessions
<b>Develop FY02 Annual Performance Plan</b>	Review and approve plan, create targets	Review and approve strategies, indicators and initiative mapping	Give input on strategies, indicators and initiatives	Create strawmodels, coordinate interviews and work sessions
<b>Develop Ongoing Planning Capability</b>	Approve process	Provide input on process	Provide input on process	Create and document process





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## Appendix A:

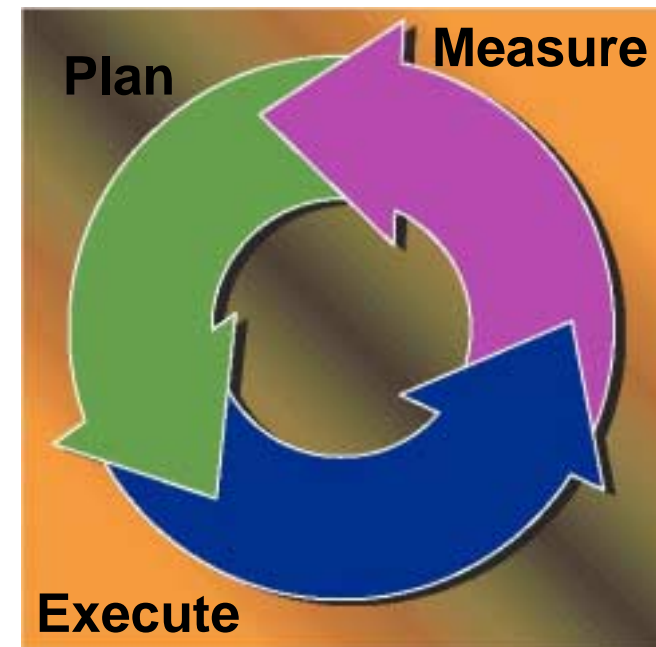
### Develop a Performance Management Capability



SFA must build a new set of core capabilities.

## 5-Year Performance Planning - Enterprise

- Clearly articulate goals, outcomes, and key enterprise-wide performance measures
- Develop a robust process that designs in success
  - Fact-based analysis
  - Fundamental understanding of core processes
- Develop programs based on aspirations for cumulative and long-term policy objectives
  - Informed, but not defined, by budget constraints
- Prioritize and mediate among numerous and diverse objectives to achieve the most effective and comprehensive outcomes

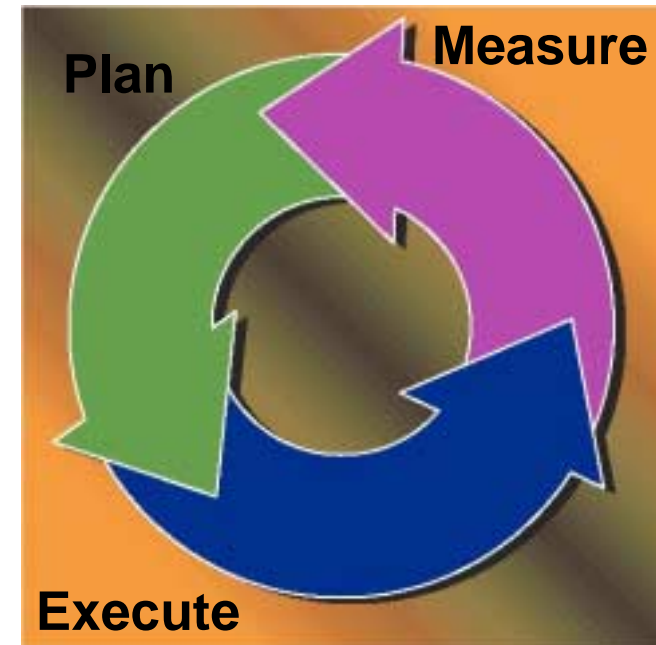




SFA must build a new set of core capabilities.

## Annual Performance Planning - Business Unit

- Link enterprise goals, outcomes, and performance measures to channel / business unit initiatives
- Incorporate retrospective as well as prospective analysis
  - Measure outcomes
  - Evaluate actual performance variance from projections
- Integrate the planning, budget, and IT investment processes

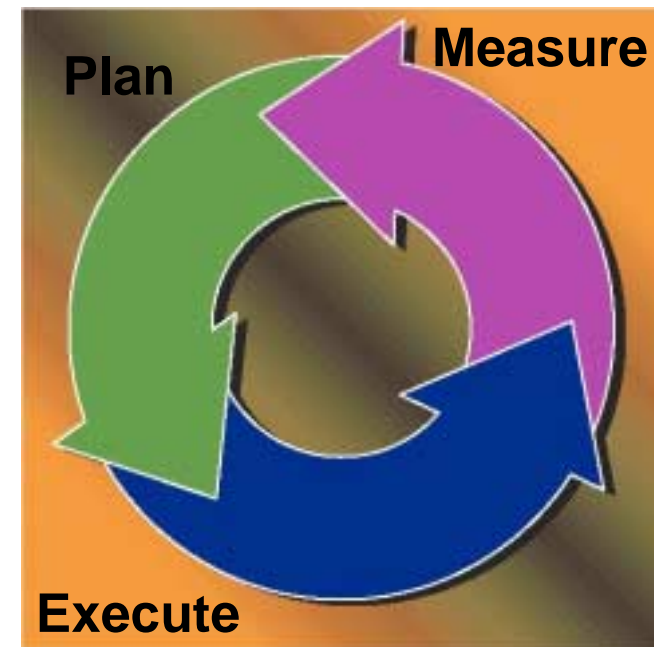




SFA must build a new set of core capabilities.

## Executing and Measuring

- Institutionalize ability and process to do fact-based analysis
  - Stakeholder needs
  - Operational performance
- Create a standing committee of SFA representatives
  - Develop SFA priorities
  - Review program manager proposals based on performance objectives
- Establish a system of incentives that create and reward a culture of innovation and continuous improvement





Five-year and annual performance planning coupled with ongoing organizational and information capabilities will provide several significant outcomes to SFA.

## Outcomes and Benefits

- Improved mission accomplishment
- Effective risk management (tied to resource allocation)
- Improved management toward results
- Improved communication and morale
- Improved compliance with PBO legislation
- Model for the rest of the Federal government to follow



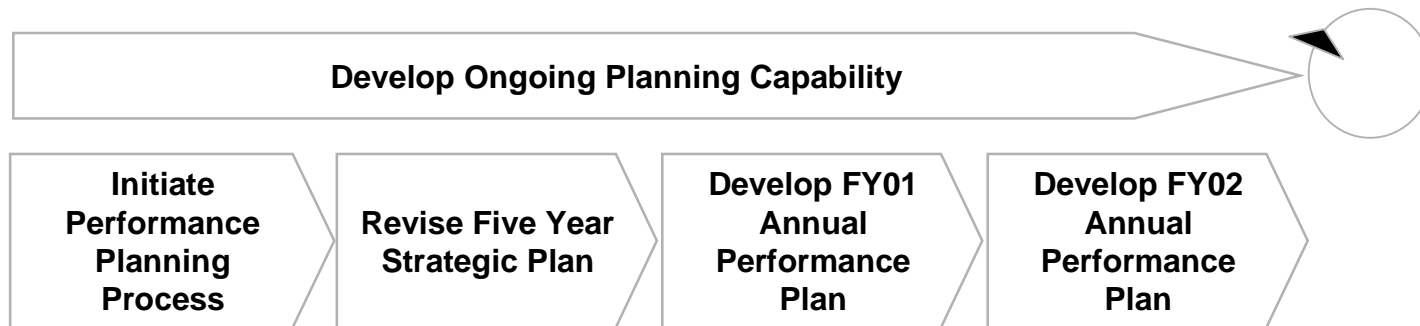


## Appendix B:

### Detailed Project Approach



## Proposed Strategic Planning Project (Spring, Summer 2000)







## Initiate Performance Planning Project



### **Create Project Plan**

- Determine approach, timeline and key milestones
- Prepare participants for planning process

### **Inform Planning Participants**

- Provide necessary information to participants
- Schedule interviews with participants

### **Outcomes**

- Approach
- Workplan
- Interview Guides
- Interview Schedule
- General Measurement Framework
- Informed and engaged participants
- Communications plan for SFA managers and staff



## Revise Five Year Strategic Plan (Enterprise Strategy)



### **Conduct External Assessment**

- Determine Customers' Needs and Wants
- Gather External Benchmarks
- Review Competitors' Products and Services
- Examine Best Practices

### **Conduct Internal Assessment**

- Inventory Internal Capabilities
- Evaluate Management Aspirations

### **Review and Update Existing Five Year Performance Plan**

- Develop straw model
- Interview key leaders for feedback and direction

### **Define Performance Goals and Measures**

- Determine Enterprise Strategic Performance Goals
- Determine Enterprise High Level Measures and Targets, Performance Dimensions
- Create Enterprise Level Balanced Scorecard

### **Outcomes**

- Understanding of External Environment
- Understanding of Internal Environment
- Confirmed Mission
- High Level Performance Goals and Measures
- Enterprise Level Balanced Scorecard



## Develop FY01 Annual Performance Plan (Channel Strategy)



### **Develop High Level Strategies**

- Develop strategies by channel/office
- Determine Strategies based on existing plans and initiatives, future aspirations

### **Develop Key Performance Indicators**

- Determine Indicators to measure achievement of High Level Strategies

### **Map Initiatives to High Level Strategies**

- Create Channel Level Balanced Scorecards
- Develop Initiatives targeted at High Level Strategies

### **Outcomes**

- Channel Strategies
- Initiatives by Channel
- FY01 Performance Plan
- FY02 Performance Plan
- Channel Level Balanced Scorecards



## Develop FY02 Annual Performance Plan (Channel Strategy)



### **Develop High Level Strategies**

- Develop strategies by channel/office
- Determine Strategies based on existing plans and initiatives, future aspirations

### **Develop Key Performance Indicators**

- Determine Indicators to measure achievement of High Level Strategies

### **Map Initiatives to High Level Strategies**

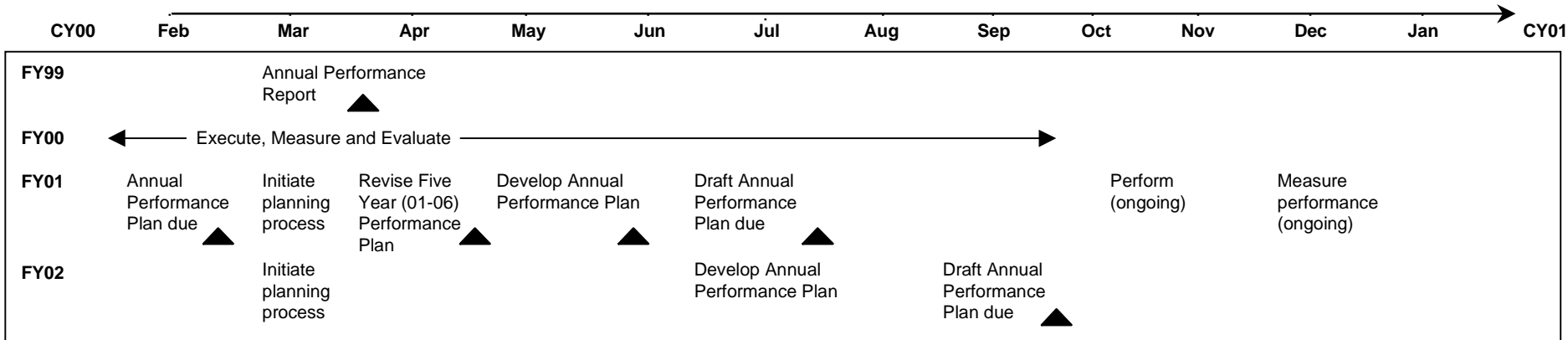
- Create Channel Level Balanced Scorecards
- Develop Initiatives targeted at High Level Strategies

### **Outcomes**

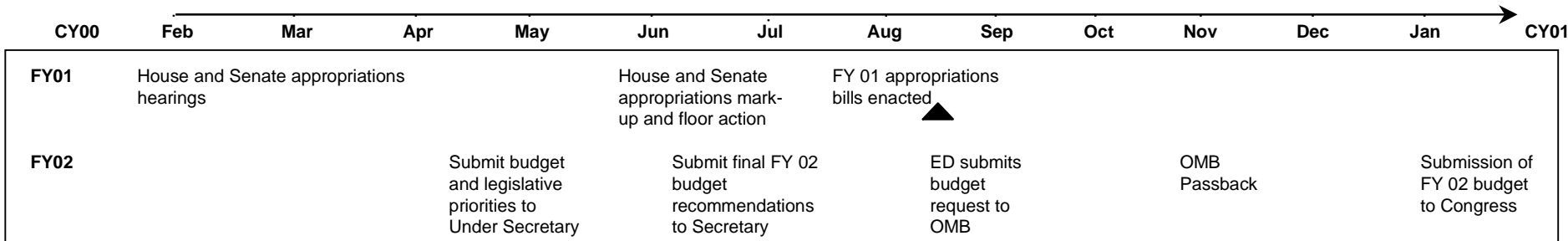
- Channel Strategies
- Initiatives by Channel
- FY01 Performance Plan
- FY02 Performance Plan
- Channel Level Balanced Scorecards



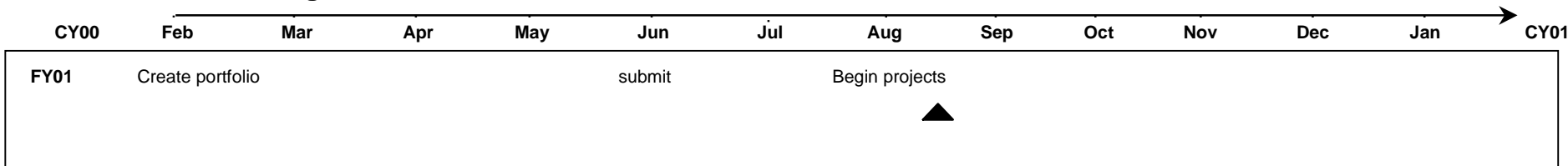
**Proposed SFA Strategic Planning Timeline**



**Federal Budget Timeline**



**IT Investment Management**

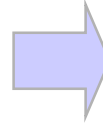


▲ = Milestone



## Performance Plan Structure

- Mission
- Strategic Performance Goals
- High Level Measures and Targets
- Dimensions



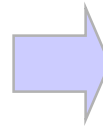
## Example:

- Help put America Through School
- Customer Satisfaction...
- Increase student satisfaction to X
- Timeliness...

Enterprise

Business  
Unit

- High Level Strategies (business unit)
- Key Performance Indicators
- Map initiatives to High level strategies



- Use the convenience of the Internet to conduct business...
- Process loan consolidations in x days
- Create a Loan Consolidation website...



The success of the project rests upon active participation and leadership from key SFA personnel.

**-- Project Roles and Structure --**

